App. F. IX-4

1932 : 3 (L. M)

File No. 6-32

Previous References

L. M. 6-32 (1-6)
L. B. 128-32 (1-2)

Serial Nos. 7, 8

Later References

L M. 1-33 (1-3)
L M. 2-33 (6, 8)

Preserve

P II(E)

General and Revenue Secretariat.

Serial Nos. 1200

Part B for April 33

SUBJECT.

Proposals of the L. M. Bank to throw open for issue to the public the balance of the debentures which have not been issued

---

Sl 8). Approves the — with Certain observations

D 5091-3 dy 8th April 33

To the Presdt L. M. Bank
" Regr C S
" Comptroller & Asst

Ald (2)

3490

L M File No. 6 of 193 2. | General and Revenue Secretariat

First Member

Cash.
29.3.33.

OFFICE OF
No. 6338

29/3

The Bank's proposal may be appd. if Govt can get the money from the public Govt need not take up any debentures

The only point for consideration is if 3% fee of tax is not too high in present circs. Considering the fact that Govt guarantee both interest and principal of the Debenture issue and this fact may be brought to the notice of the Bank.

31/3/33

Draft orders

31/3/33

Secy) 2nd 4/4/33

Cash.
5.4.33

TYPING SECT
6. APR. 193
GEN. & REV. Sec

No. D. 5091-3 dated 8.4.33 Secy 3/4/33

The Registrar of Co. Societies,
The President L.M. Bank
The Comptroller to Govt;

I approve the proposals with certain observations.

93

3490

Serial No. 7

From the Presdt. L. Fin. Board.

to S.D 2×1 6, 11 3. 1933.

In ratification of his proposal regarding 6% State that a further sum of Rs 17,300 will be required to make up the full amount of Rs 3 lakhs & Rupees 2/pl. the subscriptions being received to date plus the interest on its being credited by Govt.

Suggests that sum of 2 lakhs for which Govt. is liable up to the Banking [illegible] from the public [illegible] by way of [illegible] to note that [illegible] the Board, the amount already drawn by the Bank would be treated as advance made by Govt. to be repaid before the end of June next out of the 2 crores expected to be obtained from the public towards the debentures

Subd for orders

MR 14/3.

The proposal of the Board may perhaps be accepted Fin Secy may be consulted as also the Legl Corresp. Secy

16/3/33

DCV. Secy)
Fin. Secretary.

2774-32 a
MR 17/3

NOTE—Contn. Sheet.

WD 0246 —GPB—15,000—22-8-32

B
XC-1-6

L.M. 6-32-7

(1)

BANGALORE CITY,

DATED 11th March 1933

WHILE REPLYING PLEASE REFER TO
No. S.I. 288

REV. 3490
13 MAR. 1933
DEVELOPMENT BRANCH

From

Rajasabhabhushana K. R. SRINIVASIENGAR, Esq., M.A.,
President, The Mysore Co-operative Land Mortgage Bank, Ltd.,
BANGALORE CITY.

DEVELOPMENT SECTION
13 MAR. 1933

To

The Secretary to the Government of
His Highness The Maharaja of Mysore,
Development Department,
B A N G A L O R E.

Sir,

(Z) Adverting to Government Proceedings No:L.3680-3/L.B. 122-32-2 dated 22/29th November 1932 sanctioning the investment of a further sum of Rs.50,000 in the debentures of the Bank by the Kadur District Board, I have the honour to invite (Y) kind reference to my letter No.S.I. 162 dated 29th November 1932 addressed to you and other previous correspondence on the subject and to state as follows:-

(X) 2. In their order No.G.12215-8/L.M.21-29-2 dated 11th April 1930 Government were pleased to accord sanction to the Bank to issue debentures for a sum of 3 lakhs of rupees of which one lakh was to be subscribed for by Government and the rest thrown open to the public; and a prospectus was accordingly issued by the Bank inviting subscriptions and stating that the subscription list would be closed by 30th June 1930. As the required amount was not subscribed for within that period, it was extended to 31st July 1930 (vide Government (W) Order No.G.142-3/L.M. 21-29-7 dated 5th July 1930). Nevertheless, it was not possible to obtain subscriptions for more than Rs.1,32,700 from the public under the then prevailing conditions of money market, and this amount has been completely used up for the grant of loans by the Bank to its members.

With

With regard to the sum of one lakh of rupees for which the Government had agreed to take up debentures, an application having been made to Government for this amount being allowed to be drawn by the Bank as and when it was required for the grant of the loans and for debentures being issued by the Bank to the Government for the actual amount thus drawn from time to time, this arrangement was sanctioned by Government in their order No.G.450-6/L.I.13-29-6 dated 31st October 1930. In accordance with this arrangement a sum of about Rs.32,000/- has already been drawn out of the one lakh and debentures have to be issued by the Bank for this amount as also for any ~~xxx~~ further sum that may be drawn. As it was expected that the Government subscription of one lakh would be fully used up ere long, a reference was made to the Registrar in my letter No. S.I. 76 dated 16th September 1932 (which was submitted by him to Government with his letter No.1784 C.S. dated 23rd idem) requesting that Government might take up debentures for a further sum of Rs.67,300 so as to complete the sum of 3 lakhs for which the debentures were issued. Meanwhile, while this reference was pending with Government, the District Board of Kadur having come forward to subscribe a further sum of Rs.50,000 (in addition to Rs.50,000 which they had previously subscribed) towards the debentures, sanction of Government was sought for to the proposal in my letter No.S.I.162 dated 29th November 1932 referred to above and it was also suggested that the question of the investment of the additional amount asked for from Government might be deferred for the time being. The Government having in their order No.L.3680-3/L.B.128-32-2 dated 22/29th November 1932 sanctioned the investment of the sum of Rs.50,000 referred to above by the Kadur District Board in the Bank's debentures, I request that the Bank may be now allowed to issue debentures to the District Board for the abovementioned amount, the time limit mentioned in the prospectus for closing subscriptions to the debentures being waived. If this arrangement

arrangement is approved, the total amount of public subscription to the debentures including the sum of Rs.50,000 above referred to would come up to Rs.1,82,700, leaving a balance of Rs.1,17,300 of which Rupees one lakh has already been agreed to be taken up by Government and a further sum of only Rs.17,300 will be required to make up the full amount of 3 lakhs. I understand that owing to the recent change in the conditions of the money market, the public will be prepared to subscribe for this amount if it is thrown open to them and I therefore solicit the approval of Government to subscriptions for the above amount being accepted from the public instead of its being contributed by Government as previously requested by me.

3. With regard to the sum of one lakh for which the Government have agreed to take up debentures, if the Government would prefer to have this amount also obtained from the public, every attempt will be made to obtain the amount, - or as much as possible thereof from the public, - and to restrict the issue of debentures to Government only to any deficiency in the required amount. If this arrangement meets with the approval of Government, then the amount drawn already from the Treasury towards the Government contribution of the debentures may be ordered to be treated as an advance made by Government to the Bank which will be repaid before the end of June next from out of the subscriptions expected to be obtained from the public towards the debentures.

I have the honour to be,

Sir,

Your most obedient servant,

RS

PRESIDENT

G.R.S. App. F VI—G 2]

SUBJECT .....

5 Copies

Diary No. of letter replied to .....

Section 2 (a)

File No. 6-35

Serial No. 8

General and Revenue Secretariat

( )

the 193 .

Proceedings of the Government of His Highness the Maharaja of Mysore.

Date of issue ..... 8/4/1933.

Signed by: M.C.M.

Read— G.O. no Fy. 12215-8/L.M. 21-29-2 dy 11.4.1930. sanctioning the issue of debentures for a sum of 3 lakhs of Rupees by the L.M. Bank, out of which Rs 1 lakh was to be subscribed by Govt, and the rest thrown open to the public the Order thereon—No. subscribed for—vide 30.6.1930

2. G.O. no Fy 162-3/L.M. 21-29, dy 5-7-30, extending the period of subscription to the debentures of the L.M. Bank to 31st July 1930

3. G.O. no. Fy. 45504-6/L.M. 1829 dy 31.10.1930, permitting the Bank to draw the sum of one lakh of

May this be—

(i) printed ?

(ii) treated as a standing order ?

(iii) published in the Gazette, English Part ?

(iv) translated ?

(v) placed at the disposal of the press ?

(vi) published in the Gazette, Kannada Part ?

(W)

(V)

pers agreed ~~upon~~ to be taken up
by Govt. as and when it was
required for grant of loans, debentures
being issued by the Bank ~~as stated~~ to the Govt
for the actual amounts drawn
~~from it was required for the grant~~
~~of loans~~ from time to time.

H.S.O. No L 3680-3/I/B 123-32-2 (2)
dy 22/28 - 11.3.33, sanctioning the
investment of a sum of Rs 50000
by the Kaira Dt. Board in the debentures
of the L.M. Bank
5 ~~letters~~, Correspondence ending
with letter No. S.D. 288 dy 11.3.33
from the Presdt. L.M. Bank, reporting
that a sum of about Rs 32000 has
been already drawn out of the one
lakh of Rupees for which debentures and
Govt have agreed to take up
that debentures may be issued for by the Bank for this amount
~~were to have been taken out by Govt~~,
and requesting (1)
that sine the Dt. Board of Kaira
a further sum of (reported in H.S.O. dy 28th Nov, 1931
are subscribed Rs 50,000 in addition
to the amount they had already subscribed
towards the debentures, the Bank
may be allowed to issue debentures
to the Dt. Board for the above
amount, the time limit for the closing of the subscriptions of
the debentures being waived

List of Enclosure.

Copied by

Examined by

G. R. S. App F. G. 3.

GENERAL AND REVENUE SECRETARIAT.

(Continuation sheet draft form.)

and (2) that of the balance remaining of the debentures subscribed of Rs 117300, ~~out of which~~ inclusive of the one lakh of rupees already agreed to be subscribed by Govt for, may be thrown open to ~~subscription by~~ the public as they are likely to subscribe further amount also in view of the change in the conditions of the money market, ~~of the money market, restricting~~ the issue of debentures to you being restricted only to any deficiency in the required amount, the amount drawn already being treated as an advance made by Govt to be repaid before the ~~end~~ June next from out of the subscriptions expected to be obtained from the public towards the debentures

~~No proposals~~

Order No D. 5091-3 of 8/4/33

The proposals of the Board I. Rs. 1054 are approved. You may inform the Bank can get the money

from the public, Govt. do not want to ~~need not~~ take up any debentures

It is however a point for Consideration by the Bank if the rate of interest on the debentures, viz 5% free of income tax, is not too high in the present Circumstances considering the fact that Govt. guarantee both interest and principal of the debenture issues, ~~and~~

WM.

Dev Secy 24/4/53

Dr. Rao Regret

Pres. R.B.I. Bank

Comptroller & Govt.

Proceedings of the Government of His Highness
the Maharaja of Mysore.

R e a d :-

Government order No.G.12215-8/L.M.21-29-2 dated 11th April 1930 sanctioning the issue of debentures for a sum of 3 lakhs of Rupees by the Land Mortgage Bank, out of which Rupees one lakh was to be subscribed for by Government and the rest thrown open to the public to be subscribed for within 30th June 1930.

2. Government order No.G.142-3/L.M.21-29-7 dated 5th July 1930, extending the period of subscription to the debentures of the Land Mortgage Bank to 31st July 1930.

3. Government order No.G.4504-6/L.M.18-29-6 dated 31st October 1930, permitting the Land Mortgage Bank to draw the sum of one lakh of Rupees agreed to be taken up by Government as and when it was required for grant of loans, debentures being issued by the Bank to the Government for the actual amounts drawn from time to time.

4. Government order No.L.3680-3/L.B.123-32-2 dated 22nd/28th November 1932, sanctioning the investment of a sum of - Rs.50,000 by the Kadur District Board in the debentures of the Land Mortgage Bank.

5. Correspondence ending with letter No.S.I.288 dated 11th March 1933 from the President, Land Mortgage Bank reporting that a sum of about Rs.32,000/- has been already drawn out of the one lakh of rupees for which Government have agreed to take up debentures and that debentures have yet to be issued by the Bank for this amount and requesting (1) that since the District Board of Kadur have subscribed a further sum of Rs.50,000. (referred to in the Government order of 28th November,1932) in addition to the amount they had already subscribed towards the debentures, the Bank may be allowed to issue debentures to the District Board for the above mentioned amount, the time limit

fixed

fixed for the closing of the subscriptions to the debentures being waived, and (2) that the balance of Rs.117300 of the debentures still remaining unsubscribed inclusive of the one lakh of rupees already agreed to be subscribed for by Government may be thrown open to the public as they are likely to subscribe for this amount also in view of the change in the conditions of the money market the issue of debentures to Government being restricted to any deficiency in the ~~requirements~~ required amount and the amount drawn already being ~~treated~~ treated as an advance made by Government to be repaid before the end of June next from out of the subscriptions expected to be obtained from the public towards the debentures.

Order No. D 5891-3/ L.M.6-32-8 Govt

Dated, Bangalore, the 8th April 1933

The proposals of the Land Mortgage Bank are approved. If the Bank can get the money from the public, Government do not want to take up any debentures.

It is however a point for consideration by the Bank if the rate of interest on the debentures, viz. 5% free of income tax, is not too high in the present circumstances considering the fact that Government guarantee both interest and principal of the debenture issues.

M. Narayana Rao

For Secretary to Government,
Development Department.

To

The Registrar of Co-operative Societies in Mysore.
The President, Land Mortgage Bank.
The Comptroller to Government.

mk.5